

State of North Carolina, Division of Medical Assistance  
Medicaid Rate Increase Study

Recommended Funding Distribution

	Provider Category	Cost Increases Reflected in Payment or There Have Been Recent Rate Increases	Average Annual Expenditures (SFY 2004-2006)	Amount of Half Year Payment Increase with State Dollars Only	Portion of \$12 Million Available for Payment Increase	"Typical" Provider's Medicaid Revenue as Percent of Total Revenue
1	Adult Care Home Personal Care Services	No	\$146,849,919	\$438,546	3.70%	25 to 75 percent
2	Ambulance	No	\$20,410,729	\$76,456	0.60%	< 25 percent
3	Ambulatory Surgery Centers and Birthing Centers	No	\$7,227,895	\$29,819	0.20%	< 25 percent
4	Community Alternatives Program (CAP)	No	\$996,744,014	\$2,414,907	20.12%	> 75 percent
	Durable Medical Equipment including Orthotic and Prosthetic Devices	No				25 to 75 percent
	Home Health Agency, Home Infusion Therapy and Personal Care Services	Yes for Personal Care Services; No for the others; legislature has appropriated separate amount for payment rate increases				> 75 percent
	Private Duty Nursing	No				> 75 percent
5	Community Based Providers -(IPP expansion)	No	\$52,536,130	\$196,793	1.60%	> 75 percent
6	Dentists	Recent rate increases for selected procedures	\$183,894,617	\$968,178	8.10%	< 25 percent
7	Dialysis Centers	No	\$24,588,435	\$157,467	1.30%	< 25 percent

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8	ICF-MR	Yes, for direct costs; 1% increase in indirect cost rate in 2004 and increase from provider tax-related payments	\$414,808,975	\$2,341,432	19.50%	> 75 percent
9	Independent Laboratories	No	\$34,767,580	\$130,234	1.10%	< 25 percent
10	Nursing Facility	Recent payment increases from provider tax-related payments; legislature has appropriated dollars to fund rebasing of rates	\$1,032,362,803	\$940,895	7.80%	> 75 percent
11	Optical Service Suppliers	No for dispensing fees; Yes, for supplies	\$4,146,582	\$13,958	0.10%	< 25 percent
12	Physicians and other Professionals - targetting only vaccination administration codes, rates for after-hours coverage (to lower ER utilization) and CCNC network fee (which has not been raised in 7 yrs.)	No	\$815,288,992	\$4,292,378	35.80%	< 25 percent
Total				\$12,001,063	100%	